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8 **United States District Court**
9 **Central District of California**
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11 HYDRODYNAMIC INDUSTRIAL
12 CO LTD,

13 Plaintiff,

14 v.

15 GREEN MAX DISTRIBUTORS INC;
16 DOES 1–10, inclusive,
17 Defendants.

Case No. 2:12-cv-05058-ODW(JEMx)

**AMENDED ORDER¹ DENYING
JOINT STIPULATION [162] AND
ORDER TO SHOW CAUSE RE.
SETTLEMENT**

18 On June 26, 2014, the parties filed a Joint Stipulation to Enforce the Settlement
19 Agreement. (ECF No. 162.) The parties indicate that certain settlement acts must be
20 completed, including a final payment of settlement funds, before they will file a notice
21 of dismissal. The parties note that the final settlement payment will be completed in
22 September 2015. (*Id.*)

23 The parties request that this case tarry on the docket for over a year while they
24 finalize their settlement. The Court understands that Hydrodynamic wants to protect
25 its legal rights in case Green Max breaches the settlement agreement. But breach of a
26 settlement agreement gives rise to a separate claim—one distinct from the underlying
27

28 ¹ This Order supersedes the Court's August 21, 2014 Order to the extent that they are inconsistent, including any dates set forth in that Order.

1 merits of this action. *See Sharpe v. F.D.I.C.*, 126 F.3d 1147, 1153 (9th Cir. 1997) (“It
2 is beyond cavil that this failure to perform the express terms of the settlement
3 agreement is a breach.”). The parties therefore have an adequate, independent remedy
4 to address any potential breach.

5 The Court has no problem with retaining jurisdiction over the case to enforce
6 the settlement agreement. But the Court can accomplish this purpose while still
7 closing the case. If a party fails to honor the settlement agreement, the other party
8 may move the Court to enforce the agreement, such as through imposition of
9 sanctions.

10 The Court therefore **DENIES IN PART** the parties’ Joint Stipulation to the
11 extent that they seek to finalize settlement in September 2015. (ECF No. 162.) The
12 Court will permit the parties 60 days to finalize settlement or otherwise stipulate to
13 closing the case, subject of course to the Court retaining jurisdiction to enforce the
14 settlement agreement and permanent injunction. The Court consequently **ORDERS**
15 the parties to **SHOW CAUSE** in writing by **Monday, October 20, 2014**, why they
16 have not finalized settlement. No hearing will be held. The Court will discharge this
17 order upon filing of a stipulated dismissal and proposed order. The Court will not
18 permit extensions absent a compelling showing of good cause.

19 **IT IS SO ORDERED.**

20
21 August 22, 2014

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24 **OTIS D. WRIGHT, II**
25 **UNITED STATES DISTRICT JUDGE**
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